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SUBJECT: REFERENDUM: CHAVEZ'S ELECTION TO WIN OR LOSE

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Classified By: POLITICAL COUNSELOR FRANCISCO FERNANDEZ,
REASON 1.4 (D)

11. (C) Summary. The February 15 referendum on eliminating term limits is accentuating political polarization and virtually splitting Venezuela's electorate in two. Both the "Yes" and "No" camps are focused on motivating and mobilizing their core supporters to overcome voter fatigue and abstentions in what will be the fourth nationwide election since December 2006. President Chavez and his supporters have engaged in a well-funded, state-supported, and at times violent, "Yes" campaign that frames the upcoming vote as a plebiscite on the Venezuelan president and his popular social programs.

12. (C) The overconfident, strapped, and fractious opposition has relied heavily on the student movement to try to frame the referendum as a vote to safeguard Venezuelan democracy from what they believe is Chavez's bid to become president-for-life. They hope that voters will vote "No", while the GBRV is actively pursuing "Yes" supporters. As a result, the ability of Chavez's United Socialist Party of Venezuela (PSUV) to deliver pro-government supporters, as well as the participation rate of nonaligned voters, will be the determining factors in a race that is currently too close to call. Whatever the outcome February 15, the campaign has produced a more divided Venezuela in which Chavez may be forced to resort to increasing repression to maintain control. End Summary.

Ever More Polarization

13. (C) President Chavez has accentuated the already marked political polarization in Venezuela by pressing for another referendum on term limits. The elimination of presidential term limits was a core element of the constitutional reform package that voters rejected in December 2007. Moreover, President Chavez has tried hard to make the referendum on eliminating term limits a plebiscite on him. Chavez has primarily played to his base of socioeconomically disadvantaged Venezuelans. He and "Yes" campaign leaders are trying to persuade his traditional supporters that the opposition, backed by the United States ("the empire"), is plotting to destabilize the GBRV and roll back popular social programs ("misiones").

14. (C) Militant pro-Chavez groups, such as the "la Piedrita" collective and Lina Ron's small pro-government party, have launched numerous attacks on opposition political parties and independent media outlets over the last month. They have

done so with impunity. Only in the final week of the campaign has President Chavez distanced himself from such groups, although he also is publicly and implausibly suggesting the CIA is responsible. More so than in 2007, but less so than in 2004, the Venezuelan National Guard, police forces, and pro-Chavez militants have confronted and dispersed student demonstrations and "No" campaign activities in Caracas and other university cities. The largest of the rallies, February 7, however, was peaceful.

15. (C) In addition, pro-Chavez state and municipal governments who made way for opposition successors engaged in "scorched earth" transitions in December, sacking state supplies and resources and leaving such administrations in shambles. A case in point is Caracas, where Mayor Antonio Ledezma is still unable to work from his downtown office because pro-Chavez militants, whose contracts expired on December 31 and were not renewed, vandalized and occupied that office building. Venezuela's Vice President Ramon Carrizales met with some of the contract workers' representatives and publicly declared that no take-over of city buildings has occurred, but rather the "fascist mayor abandoned" his downtown office.

"Yes" Campaign: The Bigger Base

16. (C) President Chavez's United Socialist Party of Venezuela (PSUV) claims over five million members, although many local pundits believe that figure is inflated. The "Yes" campaign also claims that some seven million voters signed petitions in support of eliminating term limits. Critics point out that there was no independent verification of any of the signatures, let alone the total. That said, some 5.4 million

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Venezuelans voted the PSUV ticket in the November 2008 state and local elections, a considerable improvement over the 4.3 million voters who supported Chavez's constitutional reform package defeated in the December 2007 referendum. Moreover, President Chavez polled 7.3 million votes in the December 2006 presidential elections, his political high-water mark, according to the National Electoral Council (CNE). There are also approximately 4.5 million Venezuelans (2 million Venezuelans who receive social benefits and 2.5 million government employees) who directly depend on the government.

17. (C) The opposition, on the other hand, has not been able to generate much more than four million votes. Only four million Venezuelans voted to remove Chavez from power in the failed 2004 recall referendum and consensus 2006 opposition presidential candidate Manuel Rosales polled just 4.2 million votes. The "No" camp narrowly defeated Chavez's constitutional reform package by polling 4.5 million votes. Consequently, the "Yes" campaign is less focused on attracting votes across the political spectrum, than it is in motivating and mobilizing Chavez's base, which they believe will outpace the opposition's. Chavez's early January decision to expand his proposed amendment to include eliminating term limits for all elected officials is also likely to motivate local pro-government leaders to work harder for a "Yes" win. Given the numbers, the opposition needs to expand its base, but the parties have focused, like Chavez, on consolidating the existing base.

18. (C) Chavez has spared no expense in promoting a "Yes" victory. State media outlets have been almost entirely dedicated to promoting the amendment to eliminate term limits -- as well as to vilifying and discrediting its opponents. State media seized on the early January visit of opposition leaders to Puerto Rico, as well as the Charge's coincidental and concurrent private trip to San Juan, to allege a U.S. conspiracy to plot the "No" campaign strategy and to destabilize the GBRV. Moreover, the GBRV is dedicating considerable personnel and resources to the "Yes" campaign.

Government social programs, the Caracas Metro, PDVSA vehicles, and even prescription pads in public hospitals, are being used to promote the "Yes" campaign. The National Assembly suspended work in mid-January after approving the amendment proposal in order to let members and staff work on the "Yes" campaign.

¶9. (C) The "Yes" campaign has worked hard to frame the amendment as a plebiscite on the Venezuelan president and his popular social programs. Stark "Yes" campaign ads are suggesting that Venezuela's social security system will be privatized, subsidized government food markets closed, and public education ended if the "No" vote wins. President Chavez has also repeatedly argued that only he can guarantee domestic peace, a point his most violent supporters have reinforced via repeated election-related attacks. In addition, government leaders are arguing that eliminating term limits gives more power to the people to "reward" effective administrators, and stress that all Venezuelan elected officials can be subject to recall votes mid-way through their terms. In fact, the question on the referendum makes no mention of eliminating term limits, but instead refers to "extending political rights" by changing five articles of the 1999 Constitution.

"No" Campaign: Late Rally - Will it Be Enough?

¶10. (C) Venezuela's opposition has been slow to organize and oppose Chavez's efforts to eliminate presidential term limits. Opposition parties report that they are broke in the aftermath of November's state and local elections. They may also be saving their scarce resources for nationwide municipal council elections later this year and parliamentary elections in 2010. Moreover, many of the opposition's most credible leaders won gubernatorial and mayoral elections in December 2008. They have been focused on governing, and in many cases, overcoming the obstacles put up by PSUV predecessors and pro-government supporters. In addition, the "No" campaign has no clearly identifiable leader, let alone a spokesperson who enjoys anything close to Chavez's political popularity or as an effective, unifying political strategy.

¶11. (C) Venezuela's student movement has been at the forefront of the "No" campaign. Students have led numerous demonstrations in Caracas and key cities, including the massive February 7 Caracas "No" march and rally. They have

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also spearheaded creative voter education campaigns. Nevertheless, local pundits believe that the student movement is not likely to be as big a political factor as it was in the December 2007 constitutional referendum due to some student leaders' open identification with opposition political parties. Civil society NGOs remain active, particularly in get-out-the-vote and protect-the-vote efforts. The "No" camp believes it will deploy poll watchers to over 90 percent of voting tables, although as of February 10, the CNE had reportedly accredited "No" camp election monitors for some 60 percent of voting tables.

¶12. (C) "No" publicity is dwarfed in comparison to the well-funded "Yes" effort, particularly in pro-Chavez neighborhoods and outside of Caracas. Nevertheless, the "No" camp is trying to frame this election as a decision on indefinite reelection, arguing that Chavez intends to make himself president-for-life. They have also popularized the slogan "No is No!," reinforcing the opposition's argument that Venezuelan voters already turned down eliminating presidential term limits in the 2007 referendum. Opposition parties and legal experts have also questioned the skewed wording of the draft amendment and suggested the proposal itself as well as the CNE's accelerated election schedule are illegal. They are also arguing that the GBRV should be focusing on resolving the country's pressing social problems

rather than devoting some much time, energy, and resources on this initiative.

¶13. (C) Opposition leaders were comparatively slow to gear up for the February 15 referendum, ceding early momentum to the "Yes" campaign. Many would-be opponents were likely overconfident based on voters' rejection of Chavez's reform package in 2007 and December polls that showed considerable opposition to indefinite presidential reelection. Ironically, the heavy-handed efforts of the GBRV and its most militant supporters to win public approval for the draft amendment appears to have stiffened the backs of Chavez's critics and spurred a late opposition effort. The large turn-out at the February 7 "No" rally in Caracas was generated with little logistical support and on a shoestring budget. Opposition pundits remain hopeful that many pro-government voters will either vote "No," or more likely, stay home. They also hope that they will be able to motivate non-aligned voters, whom they believe will break two to one against the proposed amendment.

Comment

¶14. (C) A "Yes" win would clear the way for Chavez, who first became president in 1998, to run again in 2012 for a six-year term. Chavez would likely accelerate his Bolivarian revolution and concentrate even more authority in the executive, making it even more difficult for the fractious opposition to mount a credible effort in the 2010 legislative and 2012 presidential campaigns. Chavez must still weather an impending economic crisis due to lower oil prices and his popularity is sure to suffer if he is forced to cut up on social spending. Nevertheless, Chavez's charisma and ability to convey a sense of hope far outstrips that of any of the eligible and competing would-be opposition presidential candidates. A "No" win would be a significant victory for the democratic opposition and civil society and would represent their third consecutive electoral gain. Nevertheless, Chavez is not likely to accept defeat, and will likely step up repression against the opposition and revisit eliminating term limits. He has already said he could put up an amendment up for multiple votes; alternatively, he could call a constituent assembly to write a new constitution (and also delay the 2010 legislative elections until after the new Constitution is drafted).

¶15. (C) In this referendum, the "Yes" and "No" camps are not so much competing against each other as they are vying to motivate and mobilize their core constituencies to vote. In that respect, the opposition is playing into the GBRV's hands, as it enjoys a tremendous resource and logistical advantage. The PSUV, by and large, delivered voters to the polls in 2008, but many pro-Chavez voters stayed home in ¶2007. The "No" camp believes opposition voters understand that they have a better chance of defeating the elimination of term limits than they have in defeating Chavez in another presidential contest. In the absence of a well-funded "No" campaign, they are betting that opposition voters have greater incentives to participate and hoping that a sizable

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portion of pro-government voters sit this election out.

16 (C) In general, the opposition is not trying to reach out to disaffected Chavez supporters by providing a democratic alternative. In fact, they are perceived to be doing the opposite, as borne out by the example in Sucre municipality where opposition supporters drove away Cuban doctors from a Barrio Adentro clinic the day after the opposition's victory. The opposition seems to be pinning its hopes on persuading Venezuela's significant population of non-aligned voters ("ni-nis"), the group least likely to vote, to go to the polls. Local polling shows two-thirds of non-aligned voters would vote "No." In what is expected to be a very tight

race, their votes could prove decisive.

CAULFIELD